



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Executive Director

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July 23, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3731

Mr. Ken George
Holcim (US) Inc.
6055 East Croydon Road
Auxiliary Route #3
Morgan, Utah 84050

Re: Notice of Potential Non-Compliance & Division Directive, Holcim (US) Inc., Poverty Point Quarry, M/045/012, Tooele County, Utah

Dear Mr. George:

On July 14, 2003, The Division visited the Poverty Point Quarry (inspection memo enclosed) located in Section 16, T01N, R08W, SLBM, Tooele County, Utah. The purpose of the site visit was to perform a GPS survey of the quarry area for bond escalation purposes. The GPS survey of the quarry area shows that there is 14.99 acres of disturbance; the present bonded acreage for the quarry is 8.3 acres. The approved mining and reclamation plan does not cover this additional 6.69 acres of disturbance at the quarry.

The quarry is located on a SITLA lease, but the permit also includes an access/haulroad, located on BLM land, measuring 8,538 feet long and 50 feet wide (9.80 acres). The disturbance at the site including both the access/haulroad and quarry totals 24.79 acres. The original large mine permit area issued for this site on April 27, 1981, was for 20 acres, but only 17.3 acres of that area was bonded. The reclamation bond was calculated to cover 8.3 acres of quarry disturbance and 9.0 acres of access/haulroad.

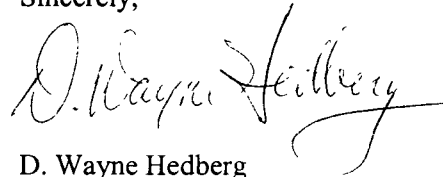
The quarry area and a portion of the haulroad are located on a SITLA lease. Approximately 8,358 feet of the access/haulroad is located on a BLM right-of-way. Because a portion of the access/haulroad was also being used for other purposes, the BLM will only require reclamation of 1,500 feet of the road (see enclosed BLM letter), immediately adjacent to the SITLA lease. This release of reclamation liability was not included in the original bond estimate that was calculated to reclaim 9.0 acres of access/haulroad disturbance.

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Holcim (US), Inc.
M/045/012
July 23, 2003

You are hereby directed to amend the present plan for the Poverty Point quarry within 45 days (by September 16, 2003), to include this additional disturbance and any additional planned expansion. When the reclamation surety is recalculated to include the additional quarry disturbance and the standard five year escalation, the surety amount will be adjusted accordingly to remove this oversight. A copy of a permit revision form is attached for your reference and use. Your failure to respond accordingly may result in the issuance of a formal Notice of Non-Compliance.

If you have any questions regarding this notice, please contact me at (801) 538-5286, or Doug Jensen at 538-5382. Thank you for your immediate attention to this matter.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: 6/17/2003 inspection memo, copy of BLM 9/25/90 letter, MR-REV form

cc: John Blake, SITLA
Cheryl Martinez, BLM, State FO (U-45959)
Doug Jensen, DOGM

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
SALT LAKE DISTRICT OFFICE
2370 South 2300 West
Salt Lake City, Utah 84119

3809/2800
U27-84-19N
U-45959 (U-027)

Roy L. Stienmier
Holnam Inc.
4629 North Overland Trail
P.O. Box 1468
LaPorte, Colorado 80535

Dear Mr. Stienmier:

As discussed during the field examination of Poverty Point Quarry area on September 20, 1990, it is our understanding that Holnam Inc. (previously Ideal Basic Industries) will perform the following reclamation on public lands.

The remaining unreclaimed drill roads will be recontoured, water barred, seeded and harrowed.

Approximately the last 1,500 feet of the haul road (portion north of the power line access road) will be scarified, recontoured, seeded and harrowed. The remaining portion of the access road may be left as is. Please block off access to the reclaimed portion of the haul road by placing a series of large boulders across the road.

The seed mixture will be determined in cooperation with the Utah Division of Oil, Gas, and Mining.

Access road right-of-way U-45959 may be relinquished as per the following procedures:

1. Successful completion and acceptance by BLM, of the reclamation of the last 1,500 feet of the road as discussed above.
2. Written request to relinquish the right-of-way.
3. Upon completion of items No. 1 and 2 above, BLM will issue a decision to accept the relinquishment, and will refund any outstanding rent which has been paid.

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SEP 25 1990

DIVISION OF
OIL, GAS & MINING

Thank you for your cooperation. If you have any additional questions, please contact Steve Brooks or Terry Catlin at 977-4300.

Sincerely yours,

Howard Hedrick

Howard Hedrick
Pony Express Resource Area Manager

cc: Wayne Hedberg
Utah Division of Oil, Gas, and Mining
355 North West Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180